2026 Abstract

Spring Auditor’s Conference
May 2026

Disclaimer

- This presentation and other Department of Local Government Finance (“Department”) materials are not a substitute for the law. The following is not intended as legal or financial advice, but rather an informative presentation. The Indiana Code always governs.

Agenda

- Timeline
- Scope of Review
- Issues Found
- Moving Forward

Timeline

2026 Abstract – Timeline

- Budgets are adopted on or before November 1 each year.
- The Department will issue the 1782 Notices starting in mid-November through early January.
  - Ideally, no later than January 4.
- After all of the 1782 Notice responses within the county have been returned or the last 10-day window expires, the Department will begin to issue Budget Orders.
  - If no unit within the county is entering into new debt or intends on filing a shortfall appeal, the Budget Order is to be released by December 31 of the year in which the budget was adopted.
  - If a unit within the county is entering into new debt or indicates they will be filing a shortfall appeal, the Budget Order is to be released by January 15.

2026 Abstract – Timeline cont.

- Per Ind. Code § 6-1.1-22-5, the county abstract is due March 15 each year.
- What must be completed by March 15:
  - Pre-Abstract Survey
  - Property Tax Replacement (“PTR”) Calculation (if applicable)
  - Abstract Upload and Calculation
  - Abstract Submission
- If the abstract is not delivered to the treasurer by April 1, provisional billing may be required per Ind. Code § 6-1.1-22.5-6.

Scope of Review

2026 Abstract – Scope of Review: PTR

- For over half of the counties in Indiana, the PTR step must be completed before the abstract steps can be started.
- PTR Review:
  - A county will indicate on the Pre-Abstract Survey the most recent year December 31 cash balance for the PTR fund.
  - The amount of total PTR the county intends to use in the PTR rate calculation.
    - 98-100% of amount available.
  - The Net Assessed Value by bucket type (1/2/3%/All/Residential).
  - Supporting documentation for both the cash balance and Net Assessed Value information.

2026 Abstract – Scope of Review: Abstract

- There are several points of review of an abstract.
  - Upload and Calculation of Files.
    - During the upload of the text files, a series of validations of the data are run. This is done to:
      - Ensure proper deduction, credit, and exemption codes are being used;
      - Ensure the file format is compliant with the specifications for the application so calculation of the files can occur;
      - Ensure the information in the file is based upon the information for the correct pay year.

2026 Abstract – Scope of Review: Abstract

- **Data Review:**
  - Upon successful upload, calculation, and submission, the information is then reviewed by a team of field representatives.
  - Except for a very few odd instances, the abstracts are reviewed in a “first in, first out” method.
  - For 2026, the Department had a very different submission pattern than normal.
    - 17 Abstracts were submitted between March 3 and March 10.
    - 34 Abstracts were submitted between March 11 and March 15.
    - 41 Abstracts were submitted on March 16 or after.
  - In 2025, the first abstract was submitted February 12.
    - 38 were submitted by March 3.

2026 Abstract – Scope of Review: Abstract

- **What the Department looks for when reviewing:**
  - **Deduction application** – parcel level review.
    - Example: Is the homestead supplemental calculation correct as defined laid out in Ind. Code § 6-1.1?
  - **Credit application** – parcel level review.
    - Example: Is the Supplemental Homestead Credit applied only to the 1% bucket?
  - **Tax Rates.**
    - Example: Were all rates certified on the Budget Order in the text files for abstract?
  - **CNAV to Abstract TIF Areas.**
    - Example: Do non-neutralized TIF areas appear on the Abstract and, if so, are they showing incremental AV and tax collections when they should not?
  - **CNAV to Abstract TIF Parcel Movement.**
    - Example: Did parcels get removed and/or added to an allocation area?

2026 Abstract – Scope of Review: Abstract cont.

- **CNAV to Abstract – Data Checks.**
  - Example: Did an Abstract Data Check on the County Review page align with answers provided (or not provided) at the time of CNAV?
    - Step 5 of CNAV compared with the Abstract County Review section.
- **Abstract to Abstract.**
  - Example: Ensuring year over year adjustments make sense overall.
- **PTR Credit Reconciliation.**
  - Example: Checking the amount of credits reported at the time of PTR calculation with those reported on the Abstract.

Issues Found

2026 Abstract – Issues Found

- **Wrong Cash Balances - PTR**
  - Despite requesting source material, it has been discovered the actual cash balances for the PTR fund were misstated.
  - Annual Financial Report compared to Budget Status Reports received.
- **Wrong AV amounts – PTR**
  - In some cases, the wrong AV amounts were pulled from the software.
  - In a few cases, the previous year AV amounts were pulled from the software.

2026 Abstract – Issues Found

- **Incorrect Deductions**
  - The supplemental deduction amount between CNAV and Abstract reverted to 35% instead of 40% on all eligible real property parcels within the county.
  - The 600K threshold on homestead deduction calculation was not removed.
  - The standard deduction amount was not increased to $48,000.
  - Parcels were found to have overrides or miscalculations of specific deductions.
  - Mobile Home homestead and homestead supplemental calculations not updated to reflect statute.

2026 Abstract – Issues Found

- **Incorrect Credit Application**
  - Credit amounts not applied correctly to the appropriate buckets.
  - Referendum not treated correctly in the calculation of the credits.
- **TIF**
  - New TIF allocation areas that were not neutralized were collecting taxes, in some cases a considerable amount.
- **Missing Rates**
  - While all rates were in the ABCERTRATE file, debt fund rates were somehow missing from the TAXDATA file.
    - Validations have been updated to look for this type of oddity.

2026 Abstract – Issues Found

- While not an exhaustive list, the issues discussed above represent thousands of tax bills that would have been incorrect.

Moving Forward

2026 Abstract – Moving Forward

- **Next Year**
  - Continuing to share legislative memos, presentation, and information on the Department's website.
    - In 2025, the following reports were posted:
      - Legislation Affecting Deductions, Exemptions, and Credits (June 19, 2025)
      - Webinar: Legislative Overview #1 (June 18, 2025)
      - PDF of Slides are found here.

2026 Abstract – Moving Forward

- **Educational Opportunities**
  - Trainings
    - Webinars
    - In person
  - Increased Validations
    - File format, Adjustment Codes, etc.
  - Increased parcel level review
    - Adjustment calculations
    - NAV changes

2026 Abstract—Contact Information

- Contact Information
  - Anna Culy
    - aculy@dlgf.in.gov
    - 317-864-6950
  - Support
    - support@dlgf.in.gov
  - Main Phone Number
    - 317-232-3777
    - 888-739-9826

Property Tax Deductions & Credits Overview of Recent Changes

Stephen Lucas

General Counsel

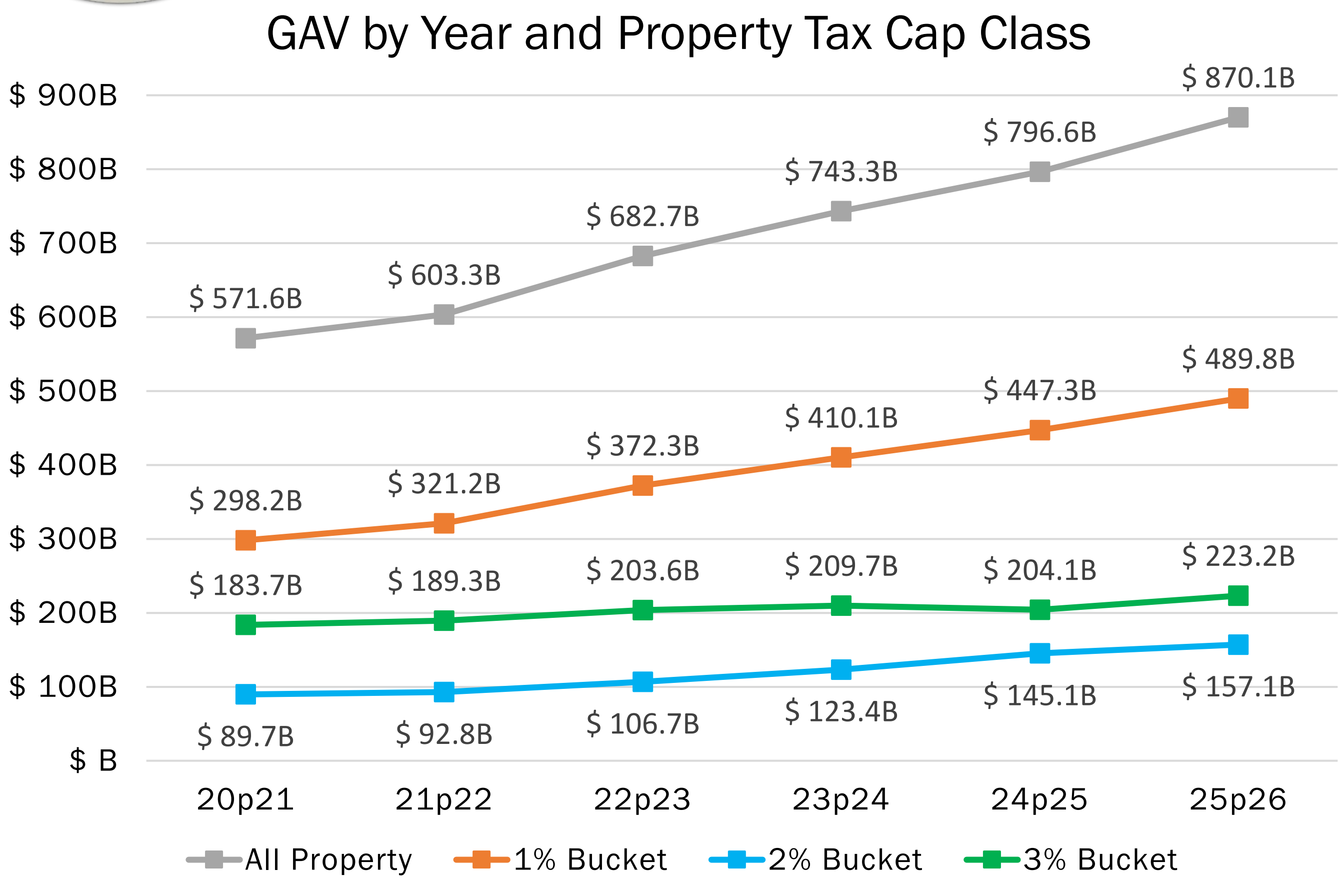
Agenda

- Summary of pay2026 data
- Veterans' Deductions and Credits
- Over 65 Credit
- Blind or Disabled Credit
- Homestead Deductions
- Trust-Owned Property Eligibility
- Other Matters and Reminders

Deductions, Exemptions & Credits

- What's the difference between a deduction, an exemption, and a credit?
    - A *deduction* reduces the assessed value being taxed.
    - An *exemption* excludes property from assessment and/or taxation.
    - A *credit* reduces the tax bill.

Statewide GAV Trends by Property Tax Cap Class

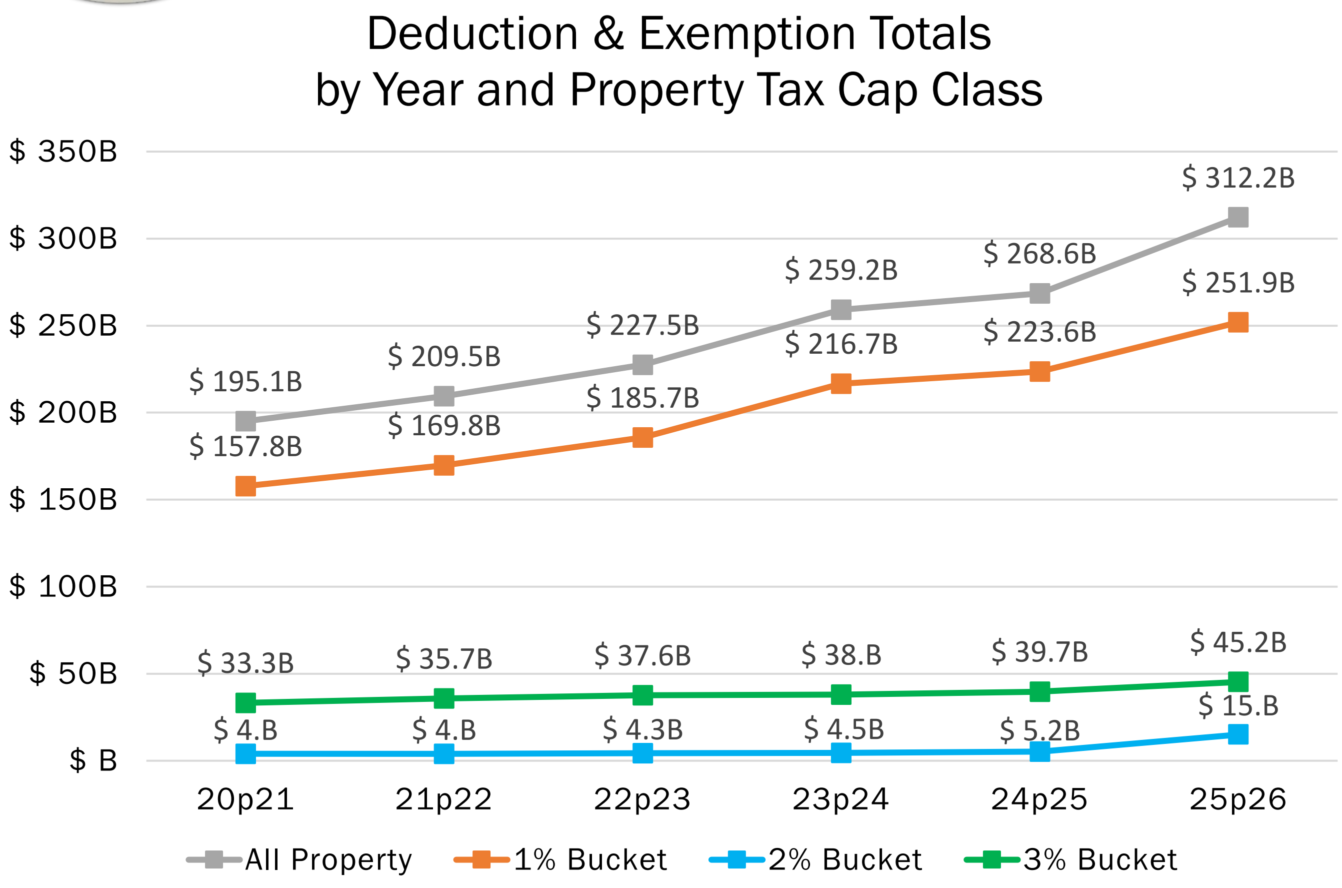


20 Pay 21– 25 Pay 26: Abstract Property Tax Billing Data

20 Pay 21– 25 Pay 26			
	Growth $	Growth %	CAGR
All Property	$298.5 B	52.23%	7.25%
1% Cap	$191.6 B	64.28%	8.63%
2% Cap	$67.4 B	75.11%	9.79%
3% Cap	$39.5 B	21.51%	3.30%

24 Pay 25 – 25 Pay 26		
	Growth $	Growth %
All Property	$73.6 B	9.23%
1% Cap	$42.5 B	9.50%
2% Cap	$12.0 B	8.23%
3% Cap	$19.1 B	9.36%

Deductions & Exemptions Data



20 Pay 21 – 25 Pay 26			
	Growth $	Growth %	CAGR
All Property	$117.1 B	60.00%	8.15%
1% Cap	$94.1 B	59.61%	8.10%
2% Cap	$11.0 B	274.87%	24.64%
3% Cap	$12.0 B	35.96%	5.25%

24 Pay 25 – 25 Pay 26		
	Growth $	Growth %
All Property	$43.6 B	16.22%
1% Cap	$28.3 B	12.64%
2% Cap	$9.8 B	187.34%
3% Cap	$5.5 B	13.86%

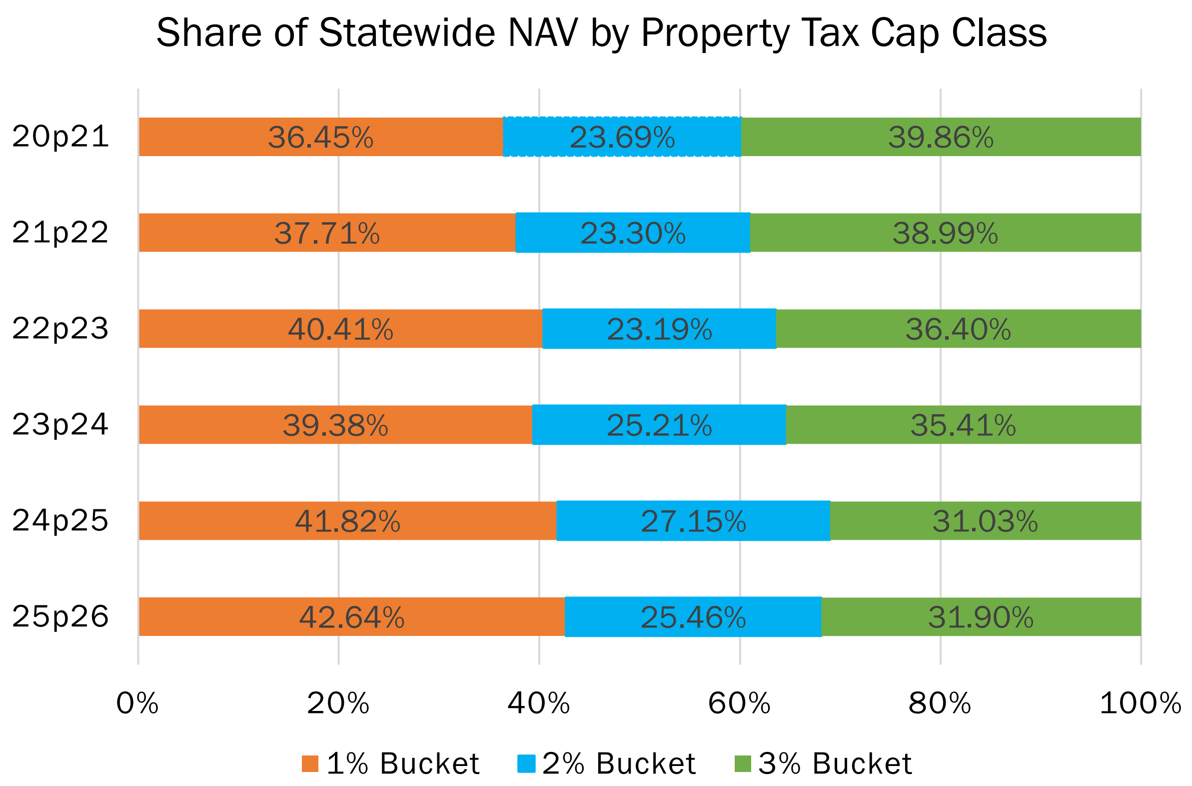
20 Pay 21 – 25 Pay 26: Abstract Property Tax Billing Data

Deductions & Exemptions by Type

	20 Pay 21	21 Pay 22	22 Pay 23	23 Pay 24	24 Pay 25	25 Pay 26
Homestead Standard Deduction	$76.0 B	$79.0 B	$79.6 B	$85.5 B	$86.9 B	$90.2 B
Supplemental Homestead Deduction	$76.3 B	$85.1 B	$100.5 B	$127.7 B	$132.9 B	$160.4 B
Veteran Deduction (Partial & Full)	$1.8 B	$1.9 B	$1.9 B	$2.0 B	$2.1 B	$2.2 B
2% Property Deduction	-	-	-	-	-	$9.2 B
ERA Abatement – Real Property	$3.4 B	$4.4 B	$4.4 B	$6.3 B	$7.3 B	$7.8 B
ERA Abatement – Personal Property	$6.1 B	$5.6 B	$5.6 B	$5.5 B	$6.7 B	$8.1 B
All Other Deductions & Exemptions	$31.5 B	$33.6 B	$33.6 B	$32.2 B	$32.8 B	$35.5 B
Totals	$195.1 B	$209.5 B	$227.5 B	$259.2 B	$268.6 B	$313.4 B
% of Gross AV	34.20%	34.20%	33.30%	34.90%	33.70%	36.02%

20 Pay 21– 25 Pay 26: Abstract Property Tax Billing Data

‘Tax Base Shift’ & Net Assessed Values



Gross AV, Adjustment, and Net AV Amounts by Tax Cap Class			
	Gross AV	Deductions/Exemptions	Net AV
1%	489,818,006,413	252,740,978,654	237,918,023,515
2%	157,070,733,671	15,108,135,861	142,057,118,164
3%	223,212,914,127	45,521,472,662	177,970,520,455
All	870,101,654,211	313,370,587,177	557,945,662,134

Gross AV, Adjustment, and Net AV Amounts by Tax Cap Class			
	Growth AV	Deductions/Exemptions	Net AV
1%	56.29%	80.65%	42.64%
2%	18.05%	4.82%	25.46%
3%	25.65%	14.53%	31.90%
All	100.00%	100.00%	100.00%

18 Pay 19 – 25 Pay 26: Abstract Property Tax Billing Data

25 Pay 26 Credits

	1% Bucket	2% Bucket	3% Bucket	Total
LIT Property Tax Relief	$351.4 M	$117.1 M	$143.3 M	$611.7 M
Property Tax Caps	$482.2 M	$419.6 M	$251.8 M	$1,153.7 M
Over 65 Credit	$14.9 M	$1.5 M	$0.8 M	$17.1 M
Blind/Disabled Credit	$4.4 M	$0.6 M	$0.2 M	$5.2 M
Supplemental Homestead Credit	$349.5 M			$349.5 M
Over 65 Circuit Breaker	$44.9 M	-	-	$44.9 M
County Optional Circuit Breaker	$2.9 M	-	-	$2.9 M
Total Credits	$1,250.2 M	$538.8 M	$396.1 M	$2,185.1 M

25 Pay 26: Abstract Property Tax Billing Data

IC 6-1.1-20.6-7.5; IC 6-1.1-20.6-8.5; IC 6-3.6-5-4

Reminder: Deductions Converted to Credits

- SEA 1-2025 – Converted Certain Deductions to Credits
  - Over 65 Credit - $150
  - Blind/Disabled Credit - $125
  - First applied for 2025 Pay 2026.
  - Applied to individual’s property tax liability after the application of tax cap credits but before application of any other credit under Ind. Code § 6-1.1 or § 6-3.6.

Veterans' Deductions and Credits

Veterans' Deductions – Prior to 2026 Session

- Three (3) deductions specific to veterans and/or their surviving spouse
  - Veteran with Service-Connected Disability (Ind. Code § 6-1.1-12-13)
  - Totally Disabled Veteran or Veteran at Least sixty-two (62) with Disability of 10% or More (Ind. Code § 6-1.1-12-14)
  - Homestead Donated to Disabled Veteran (Ind. Code § 6-1.1-12-14.5)
- Expired - Surviving Spouse of WWI Veteran (Ind. Code § 6-1.1-12-16)
- Excise Credits for when Veterans' Deductions cannot be applied
    - Ind. Code § 6-6-5-5; Ind. Code § 6-6-5-5.2

Veterans' Deductions – After 2026 Session

- Three (3) deductions specific to veterans and/or their surviving spouse:
  - Totally Disabled Veteran (Ind. Code § 6-1.1-12-14)
  - Homestead Donated to Disabled Veteran (Ind. Code § 6-1.1-12-14.5)
  - Reinstated - Surviving Spouse of WWI Veteran (Ind. Code § 6-1.1-12-16)
- Expired – Veteran with Service-Connected Disability (Ind. Code § 6-1.1-12-13)
- Excise Credits for when Veterans' Deductions cannot be applied.
    - Ind. Code § 6-6-5-5; Ind. Code § 6-6-5-5.2

Veterans' Deductions – Updates from 2026 Session

Deduction:
$24,960
IC 6-1.1-12-13

→

Credit:
$350
IC 6-1.1-51.3-6

Deduction:
$14,000
IC 6-1.1-12-14

→

Credit:
$250
IC 6-1.1-51.3-5

→

Deduction:
100% AV
IC 6-1.1-12-14

- Eligibility requirements have been updated.

Veteran with Service-Connected Disability Credit

- Served in U.S. military during any of its wars.
- Was honorably discharged.
- Received a service-connected disability of 10% or more as evidenced by
  - A U.S. Department of Veterans Affairs.
    - Pension certificate.
    - Award of compensation.
    - Disability compensation check.
  - Indiana Department of Veterans Affairs certificate of eligibility.
    - Following review of eligibility for credit.
- Amount fixed at $350.

Ind. Code § 6-1.1-51.3-6

Veteran Age 62 with Disability ≥ 10% Credit

- Must have served in the U.S. military for at least ninety (90) days.
- Was honorably discharged.
- Veteran is at least sixty-two (62) with at least 10% disability, evidenced by:
  - A U.S. Department of Veterans Affairs.
    - Pension certificate.
    - Award of compensation.
  - Indiana Department of Veterans Affairs certificate of eligibility.
    - Following review of eligibility for credit.
- No AV limit.
- Amount fixed at $250.

Ind. Code § 6-1.1-51.3-5

Combining Veterans' Credits

- It is possible for a taxpayer to receive both the Veteran with Service-Connected Disability Credit and the Veteran at Least sixty-two (62) with Disability of 10% or More Credit provided the taxpayer meets the requirements for both.

- The taxpayer may also receive any other property tax credit the individual is entitled to by law (e.g., Over 65, Blind/Disabled).

Totally Disabled Veteran Deduction

- Must have served in the U.S. military for at least ninety (90) days.
- Was honorably discharged.
- **Must have a total disability evidenced by:**
  - A U.S. Department of Veterans Affairs.
    - Pension certificate;
    - Award of compensation; or
  - Indiana Department of Veterans Affairs certificate of eligibility
    - Following review of eligibility for deduction.
- Must have resided in Indiana for at least one (1) year before the assessment date for which the deduction is claimed.

Ind. Code § 6-1.1-12-14

Totally Disabled Veteran Deduction

- Deduction amount is now 100% of the assessed value of the property used as the individual's principal place of residence, subject to Ind. Code § 6-1.1-12-40.5.
- No AV limit.
- An individual who receives this deduction may not also receive a local property tax credit under Ind. Code § 6-1.1-51.3 (Over 65, Blind/Disabled, Veterans Credits) or the deduction for a homestead donated to a veteran.
- Surviving spouse may still receive the deduction if the veteran satisfied eligibility requirements at the time of death and surviving spouse owns or is buying the property under contract when application if filed. However, surviving spouse no longer eligible if subsequently remarried.

Ind. Code § 6-1.1-12-14

Transitioning Veterans’ Deductions & Credits

- **HEA 1210 – Modified deductions and created new credits**
  - First applied for 2026 Pay 2027.
  - Credits applied to individual’s property tax liability after the application of tax cap credits but before application of any other credit under Ind. Code § 6-1.1 or § 6-3.6.
  - Ind. Code § 6-1.1-51.3-5 (new) provides that for 2026 Pay 2027 only, auditors shall not apply the deduction under Ind. Code § 6-1.1-12-14 and shall instead apply new $250 credit.
  - This automatic conversion does not prohibit a veteran from applying for the 100% deduction – if a veteran applies and qualifies for that deduction, the auditor should apply the deduction instead of the credit.

Transitioning Veterans’ Deductions & Credits cont.

- Ind. Code § 6-1.1-51.3-6 ($350 credit) does not have the same automatic conversion provision as Ind. Code § 6-1.1-51.3-5 ($250 credit).

- However, the Department encourages counties to automatically transfer individuals currently receiving the $24,960 deduction under Ind. Code § 6-1.1-12-13 to the new $350 credit under Ind. Code § 6-1.1-51.3-6.

- An individual who receives a credit and remains eligible in the following year is not required to file further applications unless eligibility changes.

Blind or Disabled Credit

Blind and Disabled Credit - Qualifications

- Provides for a credit of $125 against local property taxes imposed on real property or on a mobile/manufactured home, if:
  - The taxpayer:
    - Is blind or has a disability.
    - Uses and occupies the property as the individual's residence.
    - Owns or is buying the property through recorded contract on the date of applying.
- Applicant must complete, sign, and file application with auditor on or before January 15 of the year the property taxes are due and payable.

Ind. Code § 6-1.1-51.3-2

Defining Blindness & Disability

Blindness:

- Ind. Code § 6-1.1-51.3-2(c)
- Refers to Ind. Code § 12-7-2.1-38(1) (previously referred to Ind. Code § 12-7-2-21(1); technical change from 2026 legislative session)

Disability:

- Ind. Code § 6-1.1-51.3-2(d)
- Individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical mental impairment which
  (1) Can be expected to result in death; or
  (2) Has lasted or can be expected to last for a continuous period of not less than twelve (12) months

Blind and Disabled Credit – Disability Records

- **Proof of Disability:**
  - Ind. Code § 6-1.1-51.3-2(e) – (f)
  - Proof of eligibility to receive disability benefits under the federal Social Security Act will be sufficient.
  - An individual with a disability not covered under the federal Social Security Act shall be examined by a physician using the same standards used by the Social Security Administration. Costs are to be borne by the taxpayer.

Blind and Disabled Credit – Records

- **Proof of Blindness**
  - Ind. Code § 6-1.1-51.3-2(c), (h)
  - Less explicit than deduction statute
  - Must provide documentation necessary to substantiate eligibility
  - May be supported by:
    - Records of division of family resources or division of disability of rehabilitative services;
    - Written statement of a physician or optometrist licensed in Indiana and skilled in diseases of the eye

Blind and Disabled Credit vs Deduction

- **Differences between new credit and old deduction:**
  - Income limitation removed from credit; was previously $17,000 for the deduction.
  - The credit is not a deduction and therefore is not subject to the general limit on deductions for mobile and manufactured homes, which limits the sum of deductions to not more than 1/2 the value of the property. (Ind. Code § 6-1.1-12-40.5)

Over 65 Credit

Over 65 Credit – Qualifications Generally

- Provides for a credit of $150 against local property taxes imposed on real property or mobile/manufactured home, if:
  - 65 years of age or older by December 31 before the year the credit is claimed.
  - Applicant has owned or has been buying under contract the real property or mobile/manufactured home for at least 1 year before claiming the credit.
  - Applicant owns or is buying the property through recorded contract on the date of applying.
  - **Applicant resides on the real property, mobile home, or manufactured home (NEW)**
  - Income threshold is based on how income tax return is filed or joint ownership
    - If filing single: $60,000
    - If married filing jointly: $70,000
    - If property is shared among joint owners: $70,000 (combined).

Ind. Code § 6-1.1-51.3-1

Over 65 Credit – Convalescence & Co-Ownership

- State law now requires that the individual reside on the property. However, the individual may not be denied the credit for being absent from the property while in a nursing home or a hospital.
  - Meant to protect taxpayers who otherwise qualify but may be away from their residence for medical reasons or to receive care.
  - Ind. Code § 6-1.1-51.3-1(c).

- If there are co-owners to the property, only one (1) credit may be allowed. However, only one (1) of the co-owners needs to be at least sixty-five (65) years of age.
  - Ind. Code § 6-1.1-51.3-1(d).
  - Co-ownership means tenants by the entirety, joint tenants, or tenants in common.
  - May affect amount of eligible credit. (See next slide)

Ind. Code § 6-1.1-51.3-1

Over 65 Credit – Credit Amount (Part 1)

- Generally, it is $150.
  - Ind. Code § 6-1.1-51.3-1(b).

- **Exception:** When there are co-owners to the property who are not themselves at least sixty-five (65) years old.
  - The amount is reduced proportionately by the number of co-owners who are not sixty-five (65) years old.

$$\textit{Init. Credit Amt.} \times \frac{\textit{Co-Owners Under 65 Years Old}}{\textit{Total Number of Co-Owners}} = \textit{Amt. of Reduction to Credit}$$

Over 65 Credit – Credit Amount (Part 2)

- **Example:**
  - The initial credit amount is $150.
  - There are three (3) co-owners to the property.
  - Only one of the co-owners is over sixty-five (65) years old.
  - The property otherwise qualifies for the credit.
    - Proportion of under-65 owners to all co-owners:

$$2 \div 3 = 0.667$$

  - Applying this to the credit amount, you get a reduction to the credit of $100.

$$0.6667 \times \$150 = \$100$$

$$\$150 - \$100 = \$50$$

Homestead Deductions

Phase-Out of Homestead Standard Deduction

- SEA 1-2025– Specified that the amount of the Homestead Standard Deduction will be:

For Assessment Dates before January 1, 2025	Lesser of 60% of AV or $48,000
For the 2025 Assessment Date	$48,000
For the 2026 Assessment Date	**$40,000**
For the 2027 Assessment Date	$30,000
For the 2028 Assessment Date	$20,000
For the 2029 Assessment Date	$10,000
For Assessment Dates after December 31, 2029	$0

Increase to Supplemental Homestead Deduction

- SEA 1-2025– Specified that the amount of the Supplemental Homestead Deduction will be the AV as reduced by the Standard Homestead Deduction multiplied by:
  - 40% for Pay 26;
  - **46% for Pay 27;**
  - 52% for Pay 28;
  - 57% for Pay 29;
  - 62% for Pay 30;
  - 66.7% for Pay 31 and each year thereafter.
- Note: The deduction amount may not exceed 75% of the gross AV of the property.

Homestead Deduction – Changes from HEA 1210

- HEA 1210-2026
  - Adds definition for “Principal place of residence” to statute – An individual’s true, fixed, permanent home to which the individual intends to return after an absence. (Previously defined by 50 IAC 24-2-5.)

  - Makes a technical correction.

  - States that an individual who fails to notify auditor within 60 days of becoming ineligible *shall* (instead of may) be liable for any additional taxes that would have been due on the homestead plus a civil penalty of 10% of the additional taxes due.

SEC. 54 – Ind. Code § 6-1.1-12-37 – Effective July 1, 2026

Homestead Deduction – Changes from HEA 1210 cont.

- HEA 1210-2026
  - Ind. Code § 6-1.1-36-17 was also amended; auditors shall (instead of may) issue a notice of taxes, interest, and penalties due to the owner if auditor determines property was not eligible for homestead deduction. Auditors shall include a 10% fine as a penalty for claiming the homestead deduction falsely, calculated as 10% of total tax bill as if the deduction had not been applied.

SEC. 90 – Ind. Code § 6-1.1-36-17 – Effective July 1, 2026

Trust-Owned Property Eligibility

Eligibility of Trusts

- Ind. Code § 6-1.1-12-17.9 (amended)
- **Trusts may be eligible for the following deductions:**
  - Homestead (Ind. Code § 6-1.1-12-37; -37.5)
  - Surviving Spouse of World War I Veteran (Ind. Code § 6-1.1-12-16)

- Ind. Code § 6-1.1-51.3-7 (new)
- **Trusts may be eligible for the following credits:**
  - Over 65 (Ind. Code § 6-1.1-51.3-1)
  - Blind/Disabled (Ind. Code § 6-1.1-51.3-2)
  - Veteran At Least 62 with Disability of 10% or More (Ind. Code § 6-1.1-51.3-5)
  - Veteran with Service-Connected Disability (Ind. Code § 6-1.1-51.3-6)

Eligibility of Trusts – Eligibility

- The trust-owned property must be occupied by an individual who:
  - Upon verification in the body of the deed or otherwise, has either:
    - A beneficial interest in the trust; or
    - The right to occupy the real property rent free under the terms of a qualified person residence trust created by the individual under the US Treasury Regulation 25.2702-5(c)(2); and
  - Otherwise qualifies for the deduction or credit being claimed.

Other Matters and Reminders

Deduction for 2% Circuit Breaker Properties

- SEA 1-2025 – Deduction Amount for Eligible Properties
- “Eligible Property” means property subject to 2% circuit breaker credit under Ind. Code § 6-1.1-20.6-7.5(a)(2)-(4):
    - Residential (non-homestead) Property
    - Long Term Care Property
    - Agricultural Land

25 Pay 26	6% of Assessed Value
26 Pay 27	**12% of Assessed Value**
27 Pay 28	19% of Assessed Value
28 Pay 29	25% of Assessed Value
29 Pay 30	30% of Assessed Value
30 Pay 31 & After	33.4% of Assessed Value

Order of Operations

- Below is an outline of the order of operations for applying exemptions, deductions, and credits to an individual's property tax liability:

Order of Operations		Protected (Debt)	Exempt (Referendum)
1	Exemptions	N/A	N/A
2	Deductions	N/A	N/A
3	Local Property Tax Credits (PTC)	N/A	N/A
4	Property Tax Caps	Yes	Yes
5	Over 65 Credit, Blind/Disabled Credit, Disabled Veterans Credits (new)	No	No
6	Supplemental Homestead Credit	Yes	Yes
7A	Over 65 Circuit Breaker Credit	No	No
7B	County Option Circuit Breaker Credit	Yes	Yes
8	County Option Homestead Relief Credit	N/A	N/A

Questions?

- Stephen Lucas
  - slucas@dlgf.in.gov
  - 317-234-2171
- Resources also available (and more will be added!) on Department's website:
  - https://www.in.gov/dlgf/memos-and-presentations/